Office of Financial Management
STATE OF WASHINGTON

Activity Inventory Performance Measure Assessment

Department of Information Services (DIS)

August 21, 2006

Office of Financial Management Assessor:

Brian Willett
Budget Assistant to the Governor
360.902.0527
brian.willett@ofm.wa.gov

Agency Participants:

Connie Robins

Matthew Krieger

Based on a review of the following: The DIS Strategic Plan, the Budget Activity Inventory, an observation of an internal GMAP review, and interviews with the agency participants

Current Strengths and Good Practices

- Existing performance measures conform well to the standards of relevance, timeliness, reliability, comparability and cost effectiveness

- There is sufficient data available to conduct statistical analysis of performance measurements

- There appear to be specific actions in the strategic plan to maintain current performance gains and address any shortfalls

- The Budget Activity Inventory shares many measures with the DIS Strategic Plan

- In 4/5 measures, performance is improving or is exceeding targeted levels

Comments About the Budget Activity Measures

- A number of major Budget Activities are not linked to any Activity Measures - This creates a problem when evaluating the effectiveness of these activities during the budget development process

- Only one of the five current Activity Measures is outcome-based, yet there are many potential outcome measures identified in the DIS Strategic Plan that could also be linked to the Budget Activities

- The majority of the DIS Strategic Plan and Budget Activity Measures track performance from the agency's perspective. Not having measures that examine agency performance from the customer/stakeholder point of view can limit the agency's ability to tell a compelling performance story to outsiders

- The technical nature of the current performance measure language is difficult to understand

- In some of the Activity Measures, the targets are really estimates, and do not tell the reader what good/improved performance should look like

- The important DIS Strategic Plan objectives and Budget Activities related to enterprise-based solutions and achieving greater economies of scale are not well covered by current performance measures

Potential Improvements

1. A new performance measure relating to market penetration of some key DIS services would help track the important strategies and Budget Activities related to enterprise-based solutions and greater economies of scale strategies

2. Some form of the DIS Strategic Plan measures around the topics of on-time, on-scope project delivery and cost recoverability would make good Budget Activity Measures

3. Apply Plain Talk principles to the language of the performance measures

4. Where applicable, change the estimates into performance targets that reflect desirable performance and resource allocations
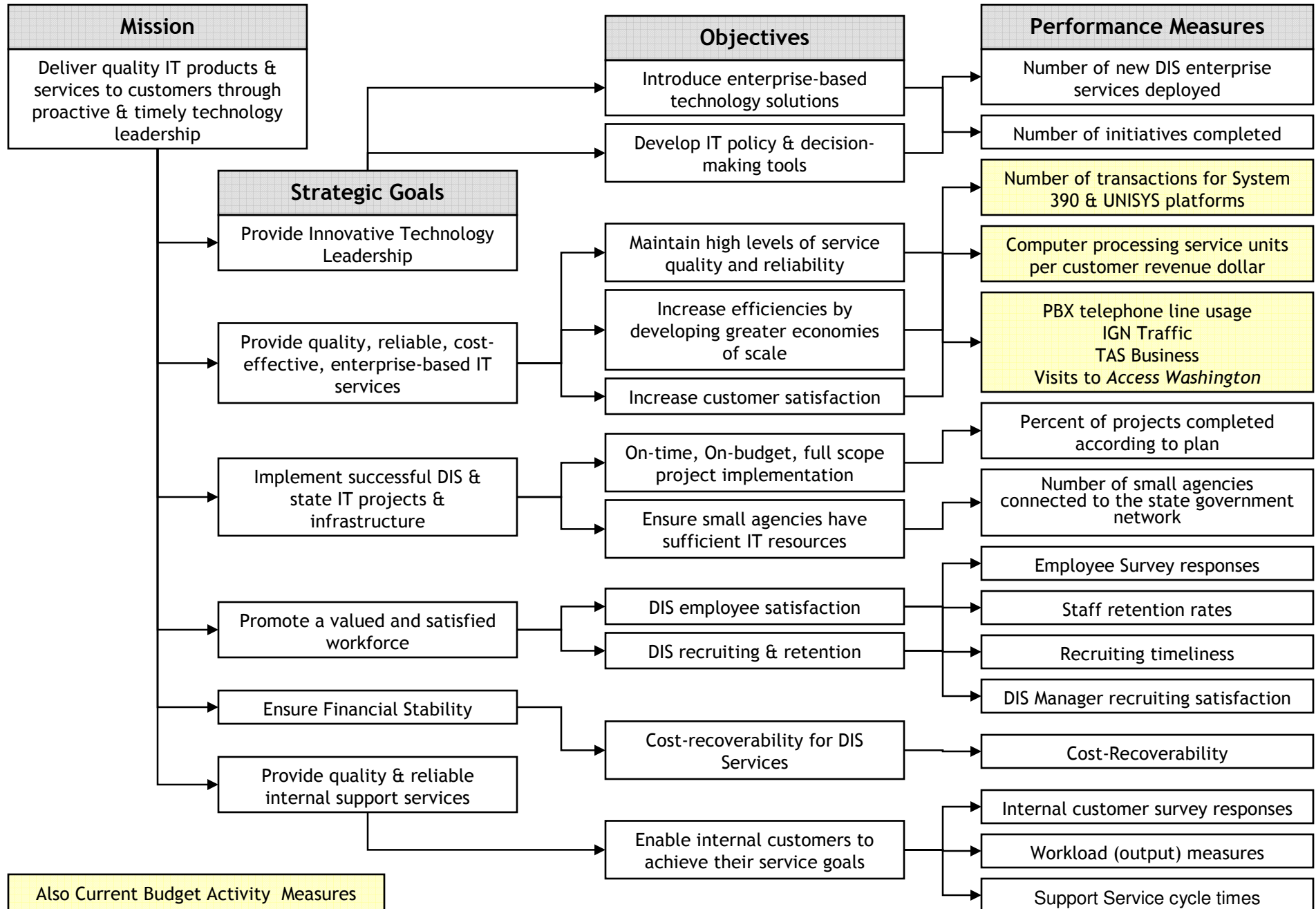
Analysis of Current Activity Measure Data

- The declining trend in customer use of mainframe computing systems warrants some vigilance (p. 13) considering approximately 25% of the agency's budget is dedicated to activity A011. The agency's strategic plan details actions to reverse the trend

- Virtually all of the current activity measurement data shows signs of non-random variation patterns indicating change caused by specific events or actions
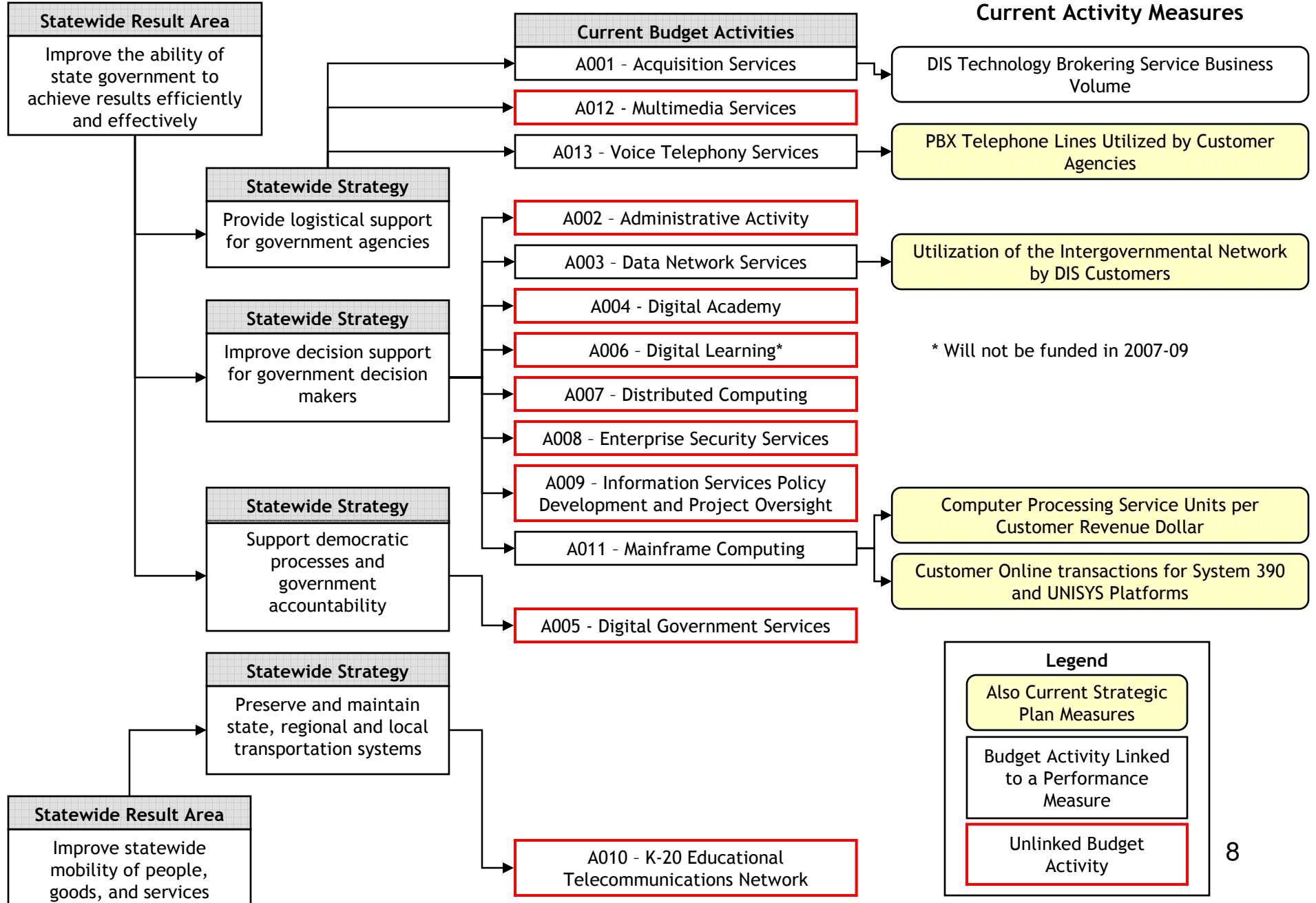
Agency Comments and Future Actions

- DIS will work with OFM to add Budget Activity Measures that cover more Budget Activities and are more outcome-oriented.

- DIS will apply Plain Talk principles to its Activity descriptions and measures.

- DIS conducts regular satisfaction surveys of its customers, and that information is used to offset the agency-desired perspective bias in its performance measurement strategy.

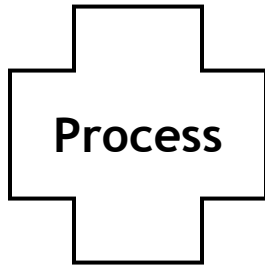# Overview of DIS Strategic Planning & Performance Measure Alignment

Mission

Deliver quality IT products & services to customers through proactive & timely technology leadership

Strategic Goals

Provide Innovative Technology Leadership

Provide quality, reliable, cost-effective, enterprise-based IT services

Implement successful DIS & state IT projects & infrastructure

Promote a valued and satisfied workforce

Ensure Financial Stability

Provide quality & reliable internal support services

Also Current Budget Activity Measures

Objectives

Introduce enterprise-based technology solutions

Develop IT policy & decision-making tools

Maintain high levels of service quality and reliability

Increase efficiencies by developing greater economies of scale

Increase customer satisfaction

On-time, On-budget, full scope project implementation

Ensure small agencies have sufficient IT resources

DIS employee satisfaction

DIS recruiting & retention

Cost-recoverability for DIS Services

Enable internal customers to achieve their service goals

Performance Measures

Number of new DIS enterprise services deployed

Number of initiatives completed

Number of transactions for System 390 & UNISYS platforms

Computer processing service units per customer revenue dollar

PBX telephone line usage
IGN Traffic
TAS Business
Visits to *Access Washington*

Percent of projects completed according to plan

Number of small agencies connected to the state government network

Employee Survey responses

Staff retention rates

Recruiting timeliness

DIS Manager recruiting satisfaction

Cost-Recoverability

Internal customer survey responses

Workload (output) measures

Support Service cycle times

DIS Activity & Performance Measure Linkages

Statewide Result Area

Improve the ability of state government to achieve results efficiently and effectively

Current Budget Activities

Current Activity Measures

A001 – Acquisition Services

DIS Technology Brokering Service Business Volume

A012 - Multimedia Services

A013 – Voice Telephony Services

PBX Telephone Lines Utilized by Customer Agencies

Statewide Strategy

Provide logistical support for government agencies

A002 – Administrative Activity

A003 – Data Network Services

Utilization of the Intergovernmental Network by DIS Customers

A004 - Digital Academy

Statewide Strategy

Improve decision support for government decision makers

A006 – Digital Learning*

* Will not be funded in 2007-09

A007 – Distributed Computing

A008 – Enterprise Security Services

A009 – Information Services Policy Development and Project Oversight

Statewide Strategy

Support democratic processes and government accountability

A011 – Mainframe Computing

Computer Processing Service Units per Customer Revenue Dollar

Customer Online transactions for System 390 and UNISYS Platforms

A005 - Digital Government Services

Legend

Also Current Strategic Plan Measures

Statewide Strategy

Preserve and maintain state, regional and local transportation systems

Budget Activity Linked to a Performance Measure

Statewide Result Area

Improve statewide mobility of people, goods, and services

Unlinked Budget Activity

A010 – K-20 Educational Telecommunications Network

8

DIS Strategic Plan and Activity Measure Perspectives

(5) **Process characteristics the customers/stakeholders want**

Process

(6) **Process characteristics the agency wants**

Activity & Agency – Computer processing service units per customer revenue dollar (5)

(3) **Product/service attributes customers/stakeholders want**

Outputs

(4) **Product/service attributes the agency wants**

Activity & Agency – Utilization of the IGN by DIS customers (4)

Activity & Agency – Customer online transactions for System 390 and UNISYS platforms (4)

Activity & Agency – PBX Telephone lines utilized by customer agencies (4)

Agency – Number of new DIS enterprise services deployed (3)

Agency – Number of initiatives completed by the Enterprise Initiatives Group (3)

Agency – TAS Business Traffic (4)

Agency – Visits to the *Access Washington* web portal (4)

(1) **Customer/stakeholder desired outcomes**
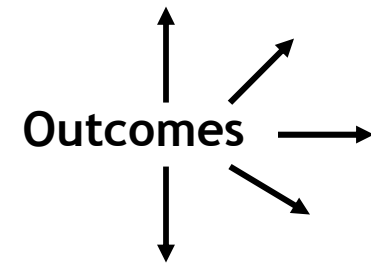
Outcomes

(2) **Agency desired outcomes**

Activity – Technology brokering service business volume (2)

Agency – Percent of major state IT & DIS projects completed on-time, on-budget, and with full scope (1)

Agency – Cost-recoverability at the agency and component service levels (2)

Agency – Number of small agencies connected to the state government network (2)

Existing Activity Measure Assessment—Technology Brokering

Performance Measure Description: The aggregate sales of IT services purchased for state agencies & local governments through DIS

Budget Activity Links: A001 – Acquisition Services
$20.6M – FY 06-07   21.2 FTE's

GASB Category of Measure: Outcome

Analysis of Variation: Stable and predictable, even with the high amount of variation – No change evident – Possible Cycle (3rd Qtr)?

Analysis of Targeted vs. Actual Performance: Actual performance closely mirrors targeted performance, and the peaks of each spike are progressively higher every fiscal year.

Technology Brokering Service Business Volume

Comments About Desirable Characteristics

Relevance: Good – Increasing the purchase of IT services through DIS is part of the agency's strategy.

Timeliness: Good - Data are available on a monthly basis if requested.

Understandability: The technical nature of the terminology is difficult to understand.

Reliability: The data collection & recording systems seem to be robust.

Comparability: DIS was unable to provide any similar measures for benchmarking or comparisons.

Cost Effectiveness: While maintenance costs of this measure seem low, the usage is limited to reporting to OFM.

General Comments & Explanations:

The spikes in Q3 data are due to the annual payment schedule for Microsoft software. The contract periods are set up to take advantage of the different budget periods for state and local governments.

The current targets are estimates. A better way to represent a performance target would be to tell readers what a good average growth rate would look like (See the blue line on the chart).

10

Existing Activity Measure Assessment—Workload Transfer to the IGN

Performance Measure Description: Total data workload transferred on the Intergovernmental Network
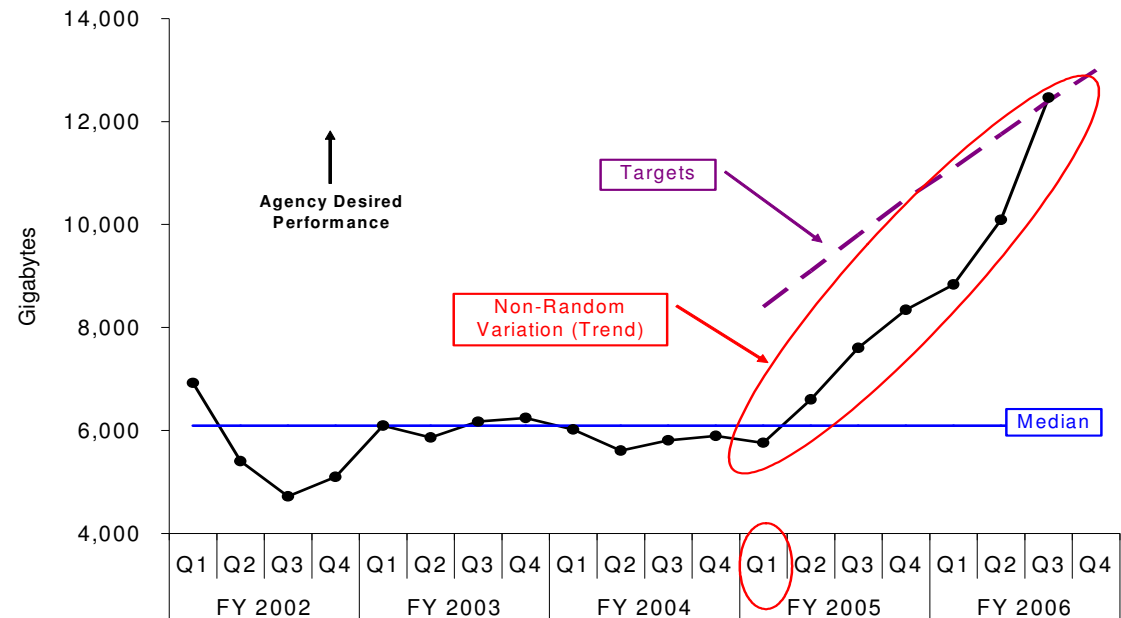
Budget Activity Links: A003 – Data Network Services
$32.5M – FY 06-07   73.7 FTE's

GASB Category of Measure: Output

Analysis of Variation: Evidence of non-random variation (Trend) indicates something changed around the 1st quarter of FY 2005.

Analysis of Targeted vs. Actual Performance: Performance finally exceeded the aggressive target in the 3rd quarter of FY 2006.

Utilization of Intergovernmental Network

Chart: Gigabytes vs. quarters FY 2002 – FY 2006. Labels: Agency Desired Performance, Targets, Non-Random Variation (Trend), Median.

Comments About Desirable Characteristics

Relevance: Good – This seems to have a direct correlation with the activity and purpose for this measure.

Timeliness: Good - Data are available on a monthly basis if requested.

Understandability: The technical nature of the terminology is difficult to understand.

Reliability: The data collection & recording systems seem to be robust.

Comparability: DIS was unable to provide any similar measures for benchmarking or comparisons.

Cost Effectiveness: While maintenance costs of this measure seem low, the usage is limited to reporting to OFM.

General Comments & Explanations:

Intergovernmental Network traffic is increasing because agencies are deploying applications out to county and local governments.

11

Existing Activity Measure Assessment—Agency Efficiency

Performance Measure Description: A measure of efficiency created by dividing an index of work accomplished by customer agency revenue
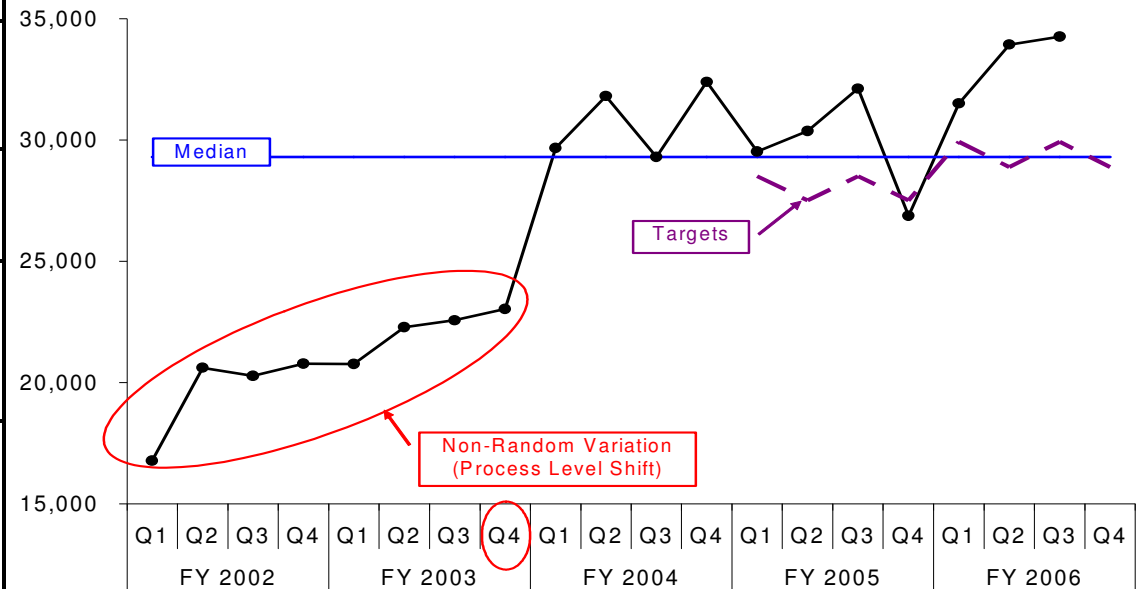
Budget Activity Links: A011 – Mainframe Computing
$59.6M – FY 06-07   134.5 FTE's

GASB Category of Measure: Process (Efficiency)

Analysis of Variation: Evidence of non-random variation (Process-Level shift) indicates something changed around the 4th Qtr of FY 2003

Analysis of Targeted vs. Actual Performance: Actual performance and even the median exceed targeted levels most quarters

Computer Processing Service Units per Customer Revenue Dollar

Median

Targets

Non-Random Variation (Process Level Shift)

Chart x-axis: Q1 Q2 Q3 Q4 (FY 2002), Q1 Q2 Q3 Q4 (FY 2003), Q1 Q2 Q3 Q4 (FY 2004), Q1 Q2 Q3 Q4 (FY 2005), Q1 Q2 Q3 Q4 (FY 2006)
Chart y-axis: 15,000 – 35,000

Comments About Desirable Characteristics

Relevance: Efficiency is a central theme in DIS strategy.

Timeliness: Good - Data are available on a monthly basis if requested.

Understandability: The technical nature of the terminology is difficult to understand.

Reliability: Data collection & recording systems seem to be robust. Any correlations with the data from the next measure, confirms the reliability.

Comparability: DIS was unable to provide any similar measures for benchmarking or comparisons.

Cost Effectiveness: DIS reports this is a frequently reviewed measure.

General Comments & Explanations:

A significant change in the usage rate for mainframe computing systems began in FY 2004.

12

Existing Activity Measure Assessment—Mainframe Usage

Performance Measure Description: A measure of customer agency usage of DIS-owned mainframe computing services
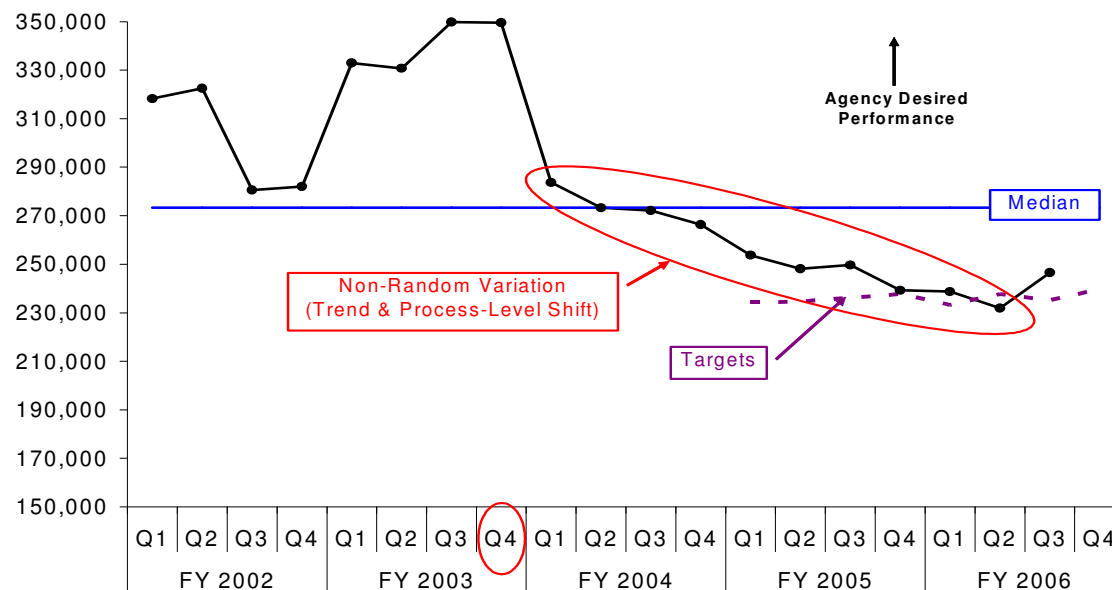
Budget Activity Links: A011 – Mainframe Computing
$59.6M – FY 06-07 134.5 FTE's

GASB Category of Measure: Output

Analysis of Variation: Evidence of non-random variation (Trend & Process-Level Shift) indicates something changed around the 4th Qtr of FY 2003

Analysis of Targeted vs. Actual Performance: Even though actual performance usually exceeds the targets (estimates), the overall direction of the trend is opposite to desired performance.

Customer Online Transactions for System 390 and UNISYS Platforms (x 1,000)

- Agency Desired Performance
- Median
- Non-Random Variation (Trend & Process-Level Shift)
- Targets

Y-axis: 150,000 – 350,000

X-axis: Q1 Q2 Q3 Q4 (FY 2002), Q1 Q2 Q3 Q4 (FY 2003), Q1 Q2 Q3 Q4 (FY 2004), Q1 Q2 Q3 Q4 (FY 2005), Q1 Q2 Q3 Q4 (FY 2006)

Comments About Desirable Characteristics

Relevance: Good – This seems to have a direct correlation with the activity and purpose for this measure.

Timeliness: Good - Data are available on a monthly basis if requested

Understandability: The technical nature of the terminology is difficult to understand.

Reliability: Data collection & recording systems seem to be robust

Comparability: DIS was unable to provide any similar measures for benchmarking or comparisons. It would be nice to see if other organizations are experiencing similar declines.

Cost Effectiveness: Questionable – Agency contacts are not sure they want to continue with this measure.

General Comments & Explanations:

Q4 of FY 2003 corresponds to the period where the Department of Licensing moved the Drivers' and Vehicle License applications from the UNISYS platform to server technology.

The 2007-09 DIS Strategic Plan outlines "Virtual Server" and server consolidation services as strategies to reverse the trend. Also, since mainframe technology is refreshed on @ 3-year cycle, increasing or decreasing machine capacity can efficiently accommodate usage trends.

The current targets are really estimates.

13

Existing Activity Measure Assessment—PBX Telephone Line Usage

Performance Measure description: A compilation of long-distance minutes, conference call minutes, and # of conf. call participants.

Budget Activity Links: A013 – Voice Telephony Services
$ 43.9M – FY 06-07   60.9 FTE's

GASB Category of Measure: Output

Analysis of Variation: This data is experiencing a non-random growth pattern (Trend). The growth of the trend is stable and predictable (130/qtr).

Analysis of Targeted vs. Actual Performance: Even though the actual performance has never achieved targeted levels, the growth trend mirrors targeted performance closely.

PBX Telephone Line Utilization
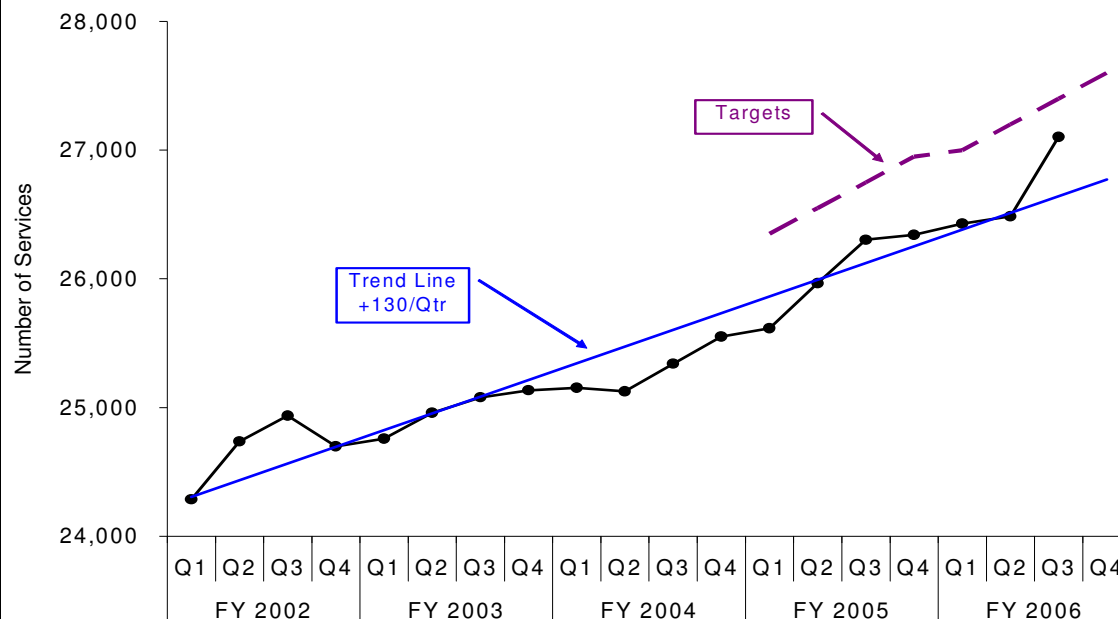
Comments About Desirable Characteristics

Relevance: Good – This seems to have a direct correlation with the activity and purpose for this measure.

Timeliness: Good - Data are available on a monthly basis if requested.

Understandability: Fair, although I'm not sure how the number of conference call participants figures into the formula.

Reliability: A potential for error exists if the compilation of data is done by hand.

Comparability: DIS was unable to provide any similar measures for benchmarking or comparisons.

Cost Effectiveness: DIS reports this is a major strategic emphasis and is regularly reported and analyzed.

General Comments & Explanations:

Customers benefit from additional features available with PBX telephone technology, which is more modern than the previously dominant CENTREX technology.

The trend should be sustainable in the near future because there are still opportunities for growth.

14